

BY-LAWS OF
WINDSOR YARD OWNERS' ASSOCIATION,
A CALIFORNIA NON-PROFIT CORPORATION

ARTICLE I

DEFINITIONS

Section 1. ASSOCIATION shall mean WINDSOR YARD OWNERS' ASSOCIATION.

Section 2. DECLARATION OF RESTRICTIONS shall mean the DECLARATION OF RESTRICTIONS FOR WINDSOR YARD TRACT NO. 2620, recorded in the Official Records of Fresno County, California, as amended from time to time.

Section 3. All other terms shall have the meanings given them in the Declaration of Restrictions or Articles of Incorporation unless another meaning is required by context or express provisions to the contrary contained herein.

ARTICLE II

MEMBERSHIP

Section 1. The qualifications and requirements of membership and voting rights incidental thereto are, as set forth in the Declaration of Restrictions.

ARTICLE III

OFFICES

Section 1. PRINCIPAL OFFICE. The principal office for the transaction of the business of the Association is located at the following address:

Windsor Yard Owners' Association
1100 West Shaw Avenue
Fresno, California 93705

The Board of Directors is hereby granted full power and authority to change the location of said principal office to any place within Fresno County.

Section 2. OTHER OFFICES. Branch or subordinate offices may at any time be established by the Board of Directors at any place or places where the Association is qualified to do business.

ARTICLE IV

MEETING OF MEMBERS

Section 1. FIRST ANNUAL MEETING. The first annual meeting of the members shall be held within one (1) year after the date on which the Declaration of Restrictions is first recorded in Fresno County, State of California, or within six (6) months after the sale of the first lot then subject to the Declaration of Restrictions, whichever first occurs.

Section 2. PLACE OF MEETINGS. All annual meetings of members shall be held either at the principal office of the Association or at any other place within the County of Fresno, State of California, which may be designated either by the Board of Directors, pursuant to authority hereinafter granted to said Board, or written consent of all members entitled to vote thereat, given either before or after the meeting and filed with the secretary of the Association.

Section 3. ANNUAL MEETINGS. The second and all subsequent annual meetings of members shall be held on the second Tuesday in May of each calendar year, at the hour of seven o'clock p.m. (7:00). If said day should fall upon a legal holiday, then any such annual meeting of members shall be held at the same time and place on the next day thereafter ensuing which is not a legal holiday. At such meetings, directors shall be elected, reports of the affairs of the Association shall be considered and any other business within the power of the members may be transacted.

Written notice of each annual meeting shall be given to each member entitled to vote thereat, either personally or by mail or other means of written communication, charges prepaid, addressed to such member at his address as the same appears on the books of the Association or as given by him to the Association for the purpose of notice. If a member gives no address, notice shall be deemed to have been given him if sent by mail or other means of written communication directly to the address of any

lot within the project of which he is the owner or if published at least once in some newspaper of general circulation in the County of Fresno, State of California. All such notices shall be sent to each member entitled thereto, and publication if any shall be made not less than ten (10) days nor more than sixty (60) days before each annual meeting, and shall specify the place, the day and the hour of such meetings, and shall also state the general nature of the business or proposals to be considered or acted upon at such meeting before action may be taken at such meeting on (a) a proposal to sell, lease, convey, exchange, transfer or otherwise dispose of all or substantially all of the property or assets of the Association except under Section 3900 of the California Corporations Code; or (b) a proposal to merge or consolidate with another corporation, domestic or foreign; or (c) a proposal to partition the condominium project; or (d) a proposal to amend the Articles of Incorporation, except to extend the term of the corporate existence; or (e) a proposal to wind up and dissolve the Association; or (f) a proposal to amend the Declaration of Restrictions.

Section 4. SPECIAL MEETINGS. Special meetings of the members for any purpose or purposes whatsoever may be called at any time by the president or by the Board of Directors, or by one or more members holding not less than one-fifth (1/5) of the voting power of the Association. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for annual meetings of members. Notice of any special meeting shall specify, in addition to the place, day and hour of such meeting, the general nature of the business to be transacted.

Section 5. ADJOURNED MEETINGS AND NOTICE THEREOF. Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by vote of members entitled to cast a majority of the total votes, whether such members be present in persons or represented by proxy thereat,

but in absence of a quorum no other business may be transacted at any such meeting.

When any members' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting, other than by announcement at the meeting at which adjournment is taken.

Section 6. VOTING. At all meetings of members, every member entitled to vote shall have the right to vote in person or by proxy the number of votes as determined pursuant to the provisions of the Declaration of Restrictions. Such vote may be viva voce or by ballot; provided, however, that all elections for directors must be by ballot upon demand made by any member at any election and before the voting begins. Subject to the provisions of Section 6 of the Declaration of Restrictions, every member entitled to vote at any election for directors shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which he is entitled or to distribute his votes on the same principle among as many candidates as he shall think fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

Section 7. QUORUM. The presence in person or by proxy of the members entitled to cast a majority of the notes that may be voted at any meeting shall constitute a quorum for the transaction of business. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 8. CONSENT OF ABSENTEES. The transactions of any meeting of members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present either

in person or by proxy, and if either before or after the meeting each of the members entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 9. ACTION WITHOUT MEETING. Any action which under the provisions of the California Corporations Code may be taken at a meeting of the members may be taken without a meeting if authorized by a writing signed by all of the members who would be entitled to vote at a meeting for such purpose and filed with the secretary of the Association.

Section 10. PROXIES. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the secretary of the Association; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution; unless the member executing it specified therein the length of time for which such proxy is to continue in force, which in no case shall exceed seven (7) years from the date of its execution.

ARTICLE V

DIRECTORS

Section 1. POWERS. Subject to the limitations of the Articles of Incorporation, of the By-laws, of the California corporations Code, and of the Declaration of Restrictions as to actions to be authorized or approved by the members, and subject to the duties of directors as prescribed by the By-laws and the Declaration of Restrictions, all Association powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers, to wit:

First: To select and remove all the other officers, agents and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, the Articles of Incorporation, the By-laws or the Declaration of Restrictions, fix their compensation and require from them security for faithful service;

Second: To conduct, manage and control the affairs and business of the Association and to make such rules and regulations therefor not inconsistent with law, the Articles of Incorporation, or the By-laws or the Declaration of Restrictions, as they may deem best;

Third: To change the principal office for the transaction of the business of the Association from one location to another within the same county as provided in Article III, Section 1, hereof; to fix and locate from time to time one or more subsidiary offices of the Association as provided in Article III, Section 2, hereof; to designate any place within the County of Fresno, State of California, for the holding of any members' meeting or meetings; and to adopt, make and use a corporate seal, and to adopt and prescribe the form of membership certificates, and to alter the form of such seal and of any such certificates from time to time, as in their judgment they may deem best; provided such seal and any such certificates shall at all times comply with the provisions of law.

Fourth: To borrow money and incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor;

Fifth: To appoint a Manager or Executive Committee and other committees, and to delegate to the Manager or Executive Committee any of the powers and authority of the Board in the management of the business and affairs of the Association, except the power to adopt, amend or repeal By-laws or as otherwise

provided in the Declaration of Restrictions. The Executive Committee, if one is formed, shall be composed of two or more directors.

Section 2. NUMBER AND QUALIFICATIONS OF DIRECTORS.

The authorized number of directors of the corporation shall be five (5) until changed by amendment of the Articles of Incorporation or by a by-law amending this Section 2, duly adopted by the vote or written assents of the members entitled to exercise a majority of the voting power of the Association, and if it is proposed to reduce the authorized number of directors below five (5) the vote or written assents of the members holding more than eighty percent (80%) of the voting power shall be required for such reduction. Directors must be members of the Association, provided, however, that until the first annual meeting of members, directors need not be members of the Association.

Section 3. ELECTION AND TERM OF OFFICE. The directors shall be elected at each annual meeting of members, but if any such annual meeting is not held or the directors are not elected thereat, the directors may be elected at any special meeting of members held for that purpose. All directors shall hold office until their respective successors are elected.

Section 4. VACANCIES. Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, or by the sole remaining director, and each director so elected shall hold office until his successor is elected at an annual or a special meeting of all the members.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation, loss of membership in the Association or removal of any director, or if the authorized number of directors be increased, or if the members fail, at any annual or special meeting of members at which any director or directors are elected, to elect the full authorized number of directors to be voted for at that meeting.

The members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the

directors. If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, the Board or the members shall have power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

The entire Board of Directors or any individual director may be removed from office by a vote of members holding a majority of the voting power entitled to vote at an election of directors. However, unless the entire Board of Directors is removed, an individual director shall not be removed if the number of votes voted against the resolution for his removal exceeds the quotient arrived at when the total number of votes entitled to vote is divided by one (1) plus the authorized number of directors. If any or all directors are so removed, new directors may be elected at the same meeting.

Section 5. PLACE OF MEETING. Regular meetings of the Board of Directors shall be held at any place within the County of Fresno, State of California, which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Association. Special meetings of the Board may be held either at a place so designated or at the principal office.

Section 6. ORGANIZATION MEETING. Immediately following each annual meeting of the members and immediately following each special meeting of the members at which members of the Board of Directors are elected or re-elected, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business. Notice of such meeting is hereby waived.

Section 7. SPECIAL MEETINGS. Special meetings of the Board of Directors for any purpose or purposes may be called at

any time by any two directors, by the president or, if he is absent or unable or refuses to act, by any vice-president.

Written notice of the time and place of special meetings shall be delivered personally to the directors or sent to each director by mail or other form of written communication, charges prepaid, addressed to him at his address as it is shown upon the records of the Association, or if it is not so shown on such records or is not readily ascertainable, at the place at which the meetings of the directors are regularly held. In case such notice is personally delivered, it shall be so delivered at least seven (7) days prior to the time of the holding of the meeting. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the Association is located at least eight (8) days prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such director.

Section 8. NOTICE OF ADJOURNMENT. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

Section 9. WAIVER OF NOTICE. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. QUORUM. A majority of the authorized number of directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter

provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number be required by law, by the Articles of Incorporation or by the Declaration of Restrictions.

Section 11. ADJOURNMENT. A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 12. FEEES AND COMPENSATION. Directors shall not receive any stated salary for their services as directors, but by resolution of the Board a fixed fee, with or without expenses of attendance, may be allowed for attendance at each meeting, but any compensation in excess of reimbursement for actual expenses of attendance must be approved by vote or written consent of a majority of the members holding Class A voting power. Nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity as an officer, agent, employee or otherwise, and receiving compensation therefor.

Section 13. ACTION WITHOUT MEETING. Any action by the Board of Directors may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

ARTICLE VI

OFFICERS

Section 1. OFFICERS. The officers of the association shall be a president, a vice-president, a secretary and a treasurer. The Association may also have, at the discretion of the Board of Directors, such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. Officers must be Directors. One person may hold two or more offices, except

that one person may not hold the office of president and secretary.

Section 2. ELECTION. The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article, shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC. The Board of Directors may appoint such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-laws or as the Board of Directors may from time to time determine. Such subordinate officers need not be members of the Association or members of the Board.

Section 4. REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board or by an officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors or to the president or to the secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. VACANCIES. A vacancy in any office because of death, removal, resignation, disqualification or any other cause shall be filled in the manner prescribed in the By-laws for regular appointments to such office.

Section 6. PRESIDENT. The president shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the

Association. He shall preside at all meetings of the members and at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the Executive Committee, if any, and shall have such other powers and duties as may be prescribed by the Board of Directors, the Declaration of Restrictions or the By-laws.

Section 7. VICE-PRESIDENT. In the absence or disability of the president, the vice-president shall perform all the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president. The vice-president shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors, the Declaration of Restrictions or the By-laws.

Section 8. SECRETARY. The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order of all meetings of directors and members, with the time and place of holding, whether regular or special, and, of special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of members' votes present or represented at members' meetings and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal office a membership register showing the names of the members and their addresses, the number and classes of voting rights held by each, the number and date of membership certificates issued for the same, if any, the number and date of cancellation of every certificate surrendered for cancellation, and terminations of memberships and the dates thereof.

The secretary shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors required by law or by the By-laws to be given, and he shall keep the seal of the Association in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-laws.

Section 9. TREASURER. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any director.

The treasurer shall deposit all moneys and other valuables in the name and to the credit of the Association with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board of Directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as treasurer and of the financial condition of the Association and have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the By-laws.

ARTICLE VII

MISCELLANEOUS

Section 1. CONFLICTS. In the case of any conflict between the Articles and these By-laws, the Articles shall control; and in the case of any conflict between these By-laws and the Declaration of Restrictions, the Declaration of Restrictions shall control.

Section 2. INSPECTION OF CORPORATE RECORDS. The books of account and minutes of proceedings of the members and directors and other papers of the Association shall be open to inspection upon the written demand of any member at any reasonable time and for a purpose reasonably related to his interests as a member and shall be exhibited at any time when required by the demand of members entitled to cast ten percent (10%) of the votes represented at any members' meeting. Such inspection may be made in person or by an agent or attorney and shall include the right to make extracts. Demand of inspection other than at a members' meeting shall be made in writing upon the president or secretary of the Association.

Section 3. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by resolution of the Board of Directors.

Section 4. ANNUAL REPORT. The Board of Directors of the Association shall cause to be sent to the members not later than one hundred twenty (120) days after the close of the fiscal or calendar year, and within the time allowed by the Declaration of Restrictions, an annual report in compliance with the provisions of Sections 3006 to 3010 of the California Corporations Code.

Section 5. CONTRACT, ETC., HOW EXECUTED. The Board of Directors, except as in the Declaration of Restrictions or By-laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit to render it liable for any purpose or in any amount.

Section 6. REPRESENTATION OF SHARES OF OTHER CORPORATIONS. The president or any vice-president and the secretary or assistant secretary of this Association are authorized to vote, represent and exercise on behalf of the Association all rights incident to any and all shares of any other corporation or corporations standing in the name of the Association. The authority herein granted to said officers may be exercised either by such officers in person or by any person authorized so to do by proxy or power of attorney duly executed by said officers.

Section 7. INSPECTION OF BY-LAWS. The Association shall keep in its principal office for the transaction of business

the original or a copy of the By-laws, as amended or otherwise altered to date, certified by the secretary, which shall be open to inspection by the members at all reasonable times during office hours.

ARTICLE VIII

AMENDMENTS

New By-laws may be adopted or these By-laws may be amended or repealed by the vote of members entitled to exercise a majority of the voting power of the Association or by the written assent of such members.

CERTIFICATE OF SECRETARY

I, J. CARL MOTSCHIEDLER, the undersigned, do hereby certify:

(1) That I am the duly elected and acting Secretary of WINDSOR YARD OWNERS' ASSOCIATION, a California non-profit corporation.

(2) That the foregoing By-laws, comprising fifteen (15) pages, constitute the original By-laws of said corporation as duly adopted at the first meeting of the Board of Directors thereof, duly held on February 26, 1975, and that said By-laws have not been amended or revoked.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation on this day of February 26, 1975.

J. Carl Motschieder